

Saugus Retirement Board

Approved October 23, 2002

Guidelines for Retirement Board Travel Regulations

The Public Employee Retirement Administration Commission recognizes that Retirement Board Members and the Retirement Board staff must perform their fiduciary duties in an efficient, effective and informed manner. The Commission recognizes the importance of continuing education; the need for informed decision making by Retirement Board Members; and the need for a broader public pension perspective, gained through association with other Retirement Boards and administrators, both within the Commonwealth of Massachusetts and throughout the nation. These objectives can be accomplished with the assistance of reasonable, efficient and effective travel and educational regulations. The Commission therefore directs Retirement Boards to enact regulations within 60 days to govern travel by Board Members and staff members of Retirement Boards.

Purpose

The purpose of these guidelines is to provide a framework for Retirement Boards to use in developing regulations that deal with travel by Board Members and Board staff. These guidelines are in addition to, and, in some respects, more stringent than the provisions of G.L. c. 268A. Terms common to these guidelines and G.L. c. 268A shall have the meaning ascribed to them by G.L. c. 268A and rulings issued pursuant to that law. Retirement Boards may adopt regulations that are more stringent than these guidelines, however, Board regulations must include all of the aspects outlined in these guidelines, supplemented as a particular Board determines necessary for its circumstances. Board regulations are to be adopted and submitted to the Commission for review and approval as required by the provisions of G.L. c. 7, § 50 and c. 32, § 21(4). Any Retirement Board Supplemental Regulations in effect shall be modified so as to be consistent with these guidelines and submitted to the Commission for review and approval as required by the provisions of G.L. c. 7, § 50 and 32, § 21(4).

The Board's regulations shall require that all travel-related expenses that are to be paid for by the Board shall be related to the purpose of the authorized travel and shall be cost-effective. Retirement Board regulations shall, at a minimum, deal with all of the following aspects:

Authorization for Travel and Travel-Related Expenditures

Board regulations shall state that the Board shall pay for or make reimbursement to Board Members and the staff of the Retirement Board for all travel and lodging expenses except as specifically authorized in these guidelines for expenses related to legitimate speaking engagements. Board regulations should detail the method by which travel and expenses related to travel are to be authorized, and should include the following provisions:

1. Travel and related expenses are to be approved by the Board in advance of the travel.

2. Requests for travel by Board Members shall be placed on a Board meeting agenda, discussed in open session and approved by a majority vote of the Members of the Board present and voting. The meeting minutes shall reflect the Board's action and the extent of the authorization.
3. The nature of the travel, its purpose and estimated cost shall be outlined on a travel authorization form. The form must include a statement by the traveler, certifying that the expenses were incidental to the approved travel. Brochures for seminars or other presentations should accompany the request for travel where available.
4. A statement describing the presentation, conference or seminar should be entered into the minutes of the meeting following the travel.
5. A Board may authorize the Executive Director/Board Administrator to approve travel for other members of the Board's staff. Guidelines for Board staff travel should be developed and approved by the Board and must incorporate the provisions set out in these Guidelines.

Required Documentation for Reimbursement

Board regulations must detail the method by which Board Members and Board staff are to be reimbursed for travel-related expenses. The Board should develop a form to be used in connection with any requests for reimbursement, requiring that the traveler certify that the expenses were incurred and were necessary and incidental to the approved travel. The regulations shall require that requests for reimbursement be submitted within a reasonable time after the expenses are incurred, but no later than within 30 days.

1. Any requests for reimbursement should be completed and properly approved after incurring any travel, transportation or meal or other travel-related expenses and before reimbursement takes place.
2. Original itemized receipts must be submitted for all expenses including transportation, lodging, and other expenses incidental to travel.
3. Receipts should be required for individual expenses: Travel-related expenses that are under \$10 (such as gratuities) should be fully described and reimbursed based on the traveler's certification that the expenses were necessary and incidental to the approved travel.
4. Any travel-related expenditures which have not been properly documented or approved or are not in conformity with the Board's regulations must be rejected or adjusted.
5. Reimbursement shall only be made to the person who actually made payment for the expense.
6. The reimbursement request form must be signed by the person seeking reimbursement and signed under the pains and penalties of perjury.

Travel Arrangements

The Board should designate a Board staff member who is responsible for making all travel arrangements and for assisting Board Members and Board staff in completing authorization and reimbursement forms. When making travel arrangements, government rates or business rates will be secured. An extended stay may be authorized if the net cost to the Board will be lower. For example, if airline fare is lowered by staying an extra day and the cost of accommodations and meals for that extra day results in a net savings to the Board, an extended stay can be authorized.

Transportation

The Board regulations should allow for airline, train, bus, automobile rental, taxi, or other form of public conveyance (as cost effective) to be utilized. All travel should be at the lowest fare available, generally economy/coach fare. The Board may determine that certain routing criteria are to be implemented, for example, requiring no more than one interim stop each way; not requiring more than one scheduled airplane transfer each way; and allowing for reasonable departure and arrival times.

The Board regulations must prohibit payment for airline club memberships.

The Board should require that the source of rental cars be a national rental agency. The rental rate should be negotiated by the staff member responsible for arranging travel. The regulations should identify the class of motor vehicle that will be authorized for rental. It is the traveler's responsibility to verify that the rate charged is the rate negotiated.

The regulations must require acceptance of optional insurance coverage for rental cars.

The Board must require that any motor vehicle accidents which occur while using a rental car while on Board-approved travel be reported as soon as practicable, in writing to the appropriate authorities, with copies of all such reports provided to the Board.

Board regulations must prohibit reimbursement for fines or other expenses incurred as a result of traffic violations while on Board-approved travel. The traveler is personally responsible for such expenses.

The Board's regulations should detail the allowable reimbursements for use of personal motor vehicles when such usage is cost effective. The regulations should specify the per-mile expense rate allowed, which shall not exceed the amount allowed by the Internal Revenue Service. The regulations should also provide whether parking fees and toll charges will be reimbursed.

Lodging

The Board's regulations must require that all reservations for accommodations should be made in advance by the Board staff member designated as responsible for making travel arrangements. It is the traveler's responsibility to verify that the rate charged is the rate negotiated by the staff member.

The Board's regulations should identify the class of accommodations that are authorized for reimbursement.

Meals

The Board's regulations must identify the maximum daily reimbursable amount for the cost of meals while on Board authorized travel. The Board's regulations may allow for reimbursement in excess of the allowable amount for travel to high-cost locations.

The regulations should require that if reimbursement is sought for meal expenses for others, these individuals are to be identified along with their affiliation and a description of the purpose of the meeting. Reimbursement shall be made only for meetings that are for business purposes.

The Board's regulations should deal with circumstances under which the registration fees for a conference or seminar includes lodging and meals. In these instances, the Board regulations should prohibit reimbursement for lodging and meals included in the cost of registration.

Other Reimbursable and Non-Reimbursable Expenses

The Board's regulations must identify other reimbursable expenses, requiring proper supporting receipts. These could include gratuities paid in accordance with local custom, telephone expenses limited to Board or business-related calls and one personal call per day, Internet connections charges, costs for faxing, and costs for necessary copying.

The Board's regulations should identify expenses that are not reimbursable. These could include personal expenses, for example, in-room movies, mini-bar charges, gym fees, entertainment or recreational expenses, laundry and dry cleaning and any payments for personal services.

The Board's regulations must prohibit reimbursement for alcoholic beverages.

Cash Advances

Board regulations must prohibit cash advances in connection with anticipated expenses.

Board Credit Cards

Board regulations may authorize usage of credit cards issued to the Board. If usage of such credit cards is allowed, the regulations must prohibit all personal use of credit cards issued to the Board. The regulations must require that the credit card billings be issued to the Board office and that card user be required to provide receipts for all expenses included in the statement. The regulations must provide that if receipts are not provided, the user will immediately reimburse the Board for these expenses.

The Board's regulations must provide that credit cards are not to be used to purchase supplies or other items that the Board, the Board Members or the Board's staff use on a regular basis and which can be readily anticipated and purchased by way of a competitive process.

Personal Travel Combined with Board Related Travel

The Board's regulations must provide that if personal travel is combined with Board-related travel, the personal portion of the trip will be clearly identified and paid for by the traveler. Travel expenses or any other expenses incurred by a spouse, relative, friend or other individual accompanying a Board Member or Board staff member will be considered to be personal travel and will, in no event, be a proper expense of the Retirement Board.

Payments or Reimbursements for Expenses by Third Parties

The Board's regulations must prohibit the providing to or receipt by a Board Member or staff member of anything of substantial value from any person, firm, partnership or other entity which may be reasonably expected to seek to do business with or is seeking to do business with or presently is doing business with a Retirement Board or any person, firm or other entity that solicits or makes referrals or which may be reasonably expected to solicit or make referrals of any client on behalf of such a person, firm, partnership or other entity. The Board's regulations must prohibit the providing to and the receipt of anything of substantial value from such a person, firm, partnership or other entity indirectly through any person, firm, association, organization or other entity.

In instances where a Board Member or Board staff member participates in a legitimate speaking engagement, the Board shall pay all costs and expenses related to such speaking engagement, provided, that the Board Member or Board staff member complies with all of the Board's travel regulations. The Board may accept reimbursement for such travel-related expenses of a Board Member or a member of the Board's staff from the third party, only under the following limited circumstances:

A Board Member or a member of a Board's staff may participate in legitimate speaking engagements in connection with their positions on the Retirement Board or as a member of the Board's staff and the Board may accept reimbursements from third parties necessary to cover travel-related costs for such engagements.

Acceptance of an honorarium or any other form of compensation is strictly prohibited.

To be considered a legitimate speaking engagement, the presentation must be formally scheduled on the agenda of a convention or conference.

The speaking engagement must be scheduled in advance of the Board Member's or staff member's arrival at the event.

The presentation must be before an organization that would normally have outside speakers address them at such an event.

The presentation cannot be perfunctory, but should significantly contribute to the event, taking into account such factors as the length of the speech or presentation, the size of the audience, and the extent to which the speaker is providing substantive or unique information or viewpoints.

The Retirement Board can be reimbursed by a third party for expenses only to the extent necessary for making the speech or presentation.

Under no circumstances can a Board Member or Board staff member receive reimbursement or any other payment or compensation from a third party.

Violation of These Guidelines or Board Travel Regulations

The Commission will review all circumstances pertaining to travel in accordance with the provisions of these Guidelines.

Any person or entity that violates these Guidelines or Retirement Board regulations adopted pursuant to these Guidelines and approved by the Commission shall be deemed to have violated the provisions of 840 CMR 17.00 and shall be subject to removal as a qualified investment manager or consultant pursuant to 840 CMR 17.04(10). In addition, the Commission shall not grant an exemption pursuant to 840 CMR 19.02 or a qualification pursuant to 840 CMR 26.04 if any person or entity that has violated these Guidelines or Retirement Board regulations adopted pursuant to these Guidelines is the subject of the filing pursuant to those provisions.